

Decision 05-05-019 May 13, 2005

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the Commission's Proposed Policies and Programs Governing post-2003 Low-Income Assistance Programs.	Rulemaking 04-01-006 (Filed January 8, 2004)
In the Matter of the Application of PACIFICORP for Approval of 2005 Low-Income Assistance Program Budgets.	Application 04-06-038 (File June 30, 2004)
In the Matter of the Application of Southwest Gas Corporation (U 905 G) for Approval of Program Year 2005 Low-Income Assistance Program Budgets.	Application 04-07-002 (Filed July 1, 2004)
Application of Southern California Gas Company (U 904 G) for Approval of Program Year 2005 Low-Income Assistance Programs and Funding.	Application 04-07-010 (Filed July 1, 2004)
Application of San Diego Gas & Electric Company (U 902 M) for Approval of Program Year 2005 Low-Income Assistance Programs and Funding.	Application 04-07-011 (Filed July 1, 2004)
Southern California Edison Company's (U 338-E) Application Regarding Low-Income Assistance Programs for Program Year 2005.	Application 04-07-012 (Filed July 1, 2004)
Application of Pacific Gas and Electric Company (U 39 M) for Approval Of The 2005 California Alternate Rates for Energy and Low Income Energy Efficiency Programs and Budget.	Application 04-07-013 (Filed July 1, 2004)

IN THE MATTER of the Application SIERRA PACIFIC POWER COMPANY (U 903), for an Order Approving its 2005 California Alternate Rates for Energy (CARE) and Low Income Efficiency (LIEE) Plans and Budgets.	Application 04-07-014 (Filed July 1, 2004)
In the Matter of the Application of Avista Corporation for Approval of Program Year 2005 Low-Income Assistance Program Budgets.	Application 04-07-015 (Filed July 1, 2004)
In the Matter of the Application of the SOUTHERN CALIFORNIA WATER COMPANY (U 133 W) Regarding Low Income Assistance Programs for its Bear Valley Electric Service Customers for Program Year 2005.	Application 04-07-020 (Filed July 8, 2004)
Application of Alpine Natural Gas Operating Company No. 1 LLC in Compliance with Decision 03-12-016 (PY 2004 Low Income Energy Efficiency ("LIEE") and California Alternate Rates For Energy ("CARE") program Plans).	Application 04-07-027 (Filed July 2, 2004)
In the Matter of the Application of West Coast Gas Company (U-910-G) For Approval of Program Year 2005 Low-Income Assistance Program Budgets.	Application 04-07-050 (Filed July 29, 2004)

#### **ORDER CORRECTING ERRORS IN DECISION 05-04-052**

This order corrects errors appearing in Tables 1,2,3,4,7,9,11,12,15,16, and 17 of Decision (D.) 05-04-052. Through inadvertence, earlier outdated versions of these particular tables were included in D.05-04-052 and mailed to the parties following the Commission meeting, although the technical staff had prepared timely updated versions of these tables consistent with the decision's text. It is appropriate to conform the tables to reflect the substantive decisions the Commission rendered in D.05-04-052.

<b>TABLE 1</b> <b>BUDGET DISALLOWANCES</b>			
<b>Utility</b>	<b>Description of Request</b>	<b>Disallowance (\$)</b>	<b>Reason for Disallowance</b>
SCE	Cool Center	<\$142,500>	Fixed costs are too high
SCE	Cool Center Transportation	<\$42,750>	PGC not designed to fund
SCE	Cool Center Personnel	<\$175,750>	The program should only fund personnel that directly support Cool Center activity
SCE	Cool Center Snacks	<\$19,000>	Ratepayer funds should only be used to fund the energy efficiency measures themselves
SoCalGas	Carbon Monoxide (CO) Testing	<\$1,800,000>	CO testing should be funded from base rates
SoCalGas	Indirect Costs	<\$641,628>	Indirect Costs not included in LIEE
SoCalGas	CARE Audit	<\$141,000>	Audit cancelled
SoCalGas	CARE Call Center	<\$453,000>	Call Center Cost Disallowed
SoCalGas	CARE LIOB	<\$1,000>	LIOB expenses are absorbed by CPUC
SDG&E	Performance Incentives included in Indirect Costs	<\$104,821>	Outside the scope of this proceeding
SDG&E	Cool Center	<\$55,000>	Not a LIEE Expense
SDG&E	CO Testing	<\$353,100>	CO testing should be funded from base rates
SDG&E	Indirect Costs	<\$703,154>	Indirect costs are not charged to LIEE
SDG&E	CARE LIOB	<\$1,000>	LIOB expenses are absorbed by CPUC
SDG&E	CARE Audit	<\$85,000>	Audit Cancelled
SDG&E	CARE Call Center	<\$166,400>	Not incremental costs
SDG&E	CARE Call Center Indirects	<\$111,913>	Not incremental costs

**TABLE 2**  
**AUTHORIZED LARGE IOU PY2005 LIEE PROGRAM**

	PG&E	SCE	SoCalGas	SDG&E
<b>ENERGY EFFICIENCY</b>				
Gas Appliances	\$ 3,334,300	\$ 0	\$ 8,020,500	\$ 919,943
Electric Appliances	17,274,700	20,971,520	0	4,349,064
Weatherization	14,109,000	394,450	15,949,814	3,924,924
Outreach / Assessment / Marketing	3,978,000	2,817,745	4,600,000	0
In-Home Energy Education	3,978,000	518,400	600,000	1,244,291
Education Workshops	50,000	0	420,000	268,107
Energy Efficiency Total	\$42,724,000	\$24,702,115	\$29,590,314	\$10,706,329
<b>LANDLORD CO PAYS</b>				
Air Conditioner Replacement – Central	0	0	0	0
Air Conditioner Replacement – Room	5,000	0	0	0
Refrigerator (CoPay)	20,000	0	0	0
Landlord Co Pays Total	\$25,000	\$0	\$0	\$0
<b>PILOTS</b>				
Cool Center 3	0	0	0	0
Cool Zones	0	0	0	0
LIHEAP Leveraging	750,000	0	0	0
Natural Gas Appliance Testing (NGAT)	0	0	0	0
Pilots Total	\$750,000	\$0	0	0
<b>OTHER PROGRAM ACTIVITIES</b>				
Training Center	400,000	20,000	325,000	0
Inspections	2,500,000	555,000	1,132,919	486,048
Advertising	0	15,000	281,000	250,000
Measurement & Evaluation (M&E)	300,000	195,000	60,000	50,000
Regulatory Compliance	476,000	70,000	230,000	200,000
Other Administration	9,320,000	1,772,885	1,669,642	563,614
Other Program Activities Total	\$12,996,000	\$2,627,885	\$3,698,561	\$1,549,662
Oversight Costs – CPUC Energy Division	\$35,000	\$70,000	\$36,000	\$21,000
<b>Total Authorized LIEE Budget</b>	<b>\$56,530,000</b>	<b>\$27,400,000</b>	<b>\$33,966,503</b>	<b>\$12,276,991</b>

**TABLE 3**  
**LARGE IOU 2005 AUTHORIZED CARE BUDGETS**

	<b>PG&amp;E</b>	<b>SCE</b>	<b>SoCalGas</b>	<b>SDG&amp;E</b>
Outreach	\$3,850,000	\$ 1,633,000	\$ 1,949,750	\$ 1,187,014
Automatic Enrollment	150,000	60,000	30,000	21,200
Cool Centers		95,000		
Proc., Certification & Verification	2,100,000	600,000	925,334	227,269
Bill System / Programming	150,000	557,000	265,045	72,800
Measurement & Evaluation	487,000	58,000	393,560	235,700
Regulatory Compliance	170,000	50,000	163,306	123,872
General Administration	450,000	1,063,300	297,315	177,314
Low Income Oversight Board	0	0	0	0
CPUC Energy Division	100,000	82,700	83,000	50,000
Total CARE Expenses	\$7,457,000	\$ 4,199,000	4,108,310	\$2,346,519
Subsidies & Benefits	191,300,000	168,100,000	75,315,876	32,907,285
<b>Authorized CARE Budget</b>	<b>\$198,757,000</b>	<b>\$172,299,000</b>	<b>\$79,424,186</b>	<b>\$35,253,854</b>

**TABLE 4**  
**LARGE IOU 2005 PROPOSED LIEE PROGRAM BUDGETS**

	<b>PG&amp;E</b>	<b>SCE</b>	<b>SoCalGas</b>	<b>SDG&amp;E</b>
<b>ENERGY EFFICIENCY</b>				
Gas Appliances	\$ 3,334,300	\$ 0	\$ 8,020,500	\$ 919,943
Electric Appliances	17,274,700	20,971,520	0	4,349,064
Weatherization	14,109,000	394,450	15,949,814	3,924,924
Outreach / Assessment / Marketing	3,978,000	2,817,745	4,600,000	0
In-Home Energy Education	3,978,000	518,400	600,000	1,244,291
Education Workshops	50,000	0	420,000	268,107
Energy Efficiency Total	\$42,724,000	\$24,702,115	\$29,590,314	\$10,706,329
<b>LANDLORD CO PAYS</b>				
Air Conditioner Replacement – Central	0	0	0	0
Air Conditioner Replacement – Room	5,000	0	0	0
Refrigerator (CoPay)	20,000	0	0	0
Landlord Co Pays Total	\$25,000	\$0	\$0	\$0
<b>PILOTS</b>				
Cool Center 3	0	0	0	0
Cool Zones	0	0	0	55,000
LIHEAP Leveraging	750,000	0	0	0
Natural Gas Appliance Testing (NGAT)			1,800,000	353,100
Pilots Total	\$750,000	\$0	\$1,800,000	\$408,100
<b>OTHER PROGRAM ACTIVITIES</b>				
Training Center	400,000	20,000	325,000	0
Inspections	2,500,000	555,000	1,132,919	486,048
Advertising	0	15,000	281,000	250,000
Measurement & Evaluation (M&E)	300,000	195,000	60,000	50,000
Regulatory Compliance	476,000	70,000	230,000	200,000
Other Administration	9,320,000	1,772,885	1,669,642	563,614
Other Program Activities Total	\$12,996,000	\$2,627,885	\$3,698,561	\$1,549,662
Oversight Costs – CPUC Energy Division	\$35,000	\$70,000	\$36,000	\$21,000
Indirect Costs			641,628	833,002
<b>TOTAL PROPOSED LIEE BUDGET</b>	<b>\$56,530,000</b>	<b>\$27,400,000</b>	<b>\$35,766,503</b>	<b>\$13,518,093</b>
<b>Indirect Costs</b>	<b>2,500,000</b>	<b>420,000</b>		

Indirect costs are not charged to the LIEE program

<b>TABLE 7</b> <b>2005 PROPOSED LIEE BUDGET</b> <b>SAN DIEGO GAS &amp; ELECTRIC</b>		
<b>ENERGY EFFICIENCY</b>		
	Gas Appliances	\$ 919,943
	Electric Appliances	4,349,064
	Weatherization	3,924,924
	Outreach / Assessment / Marketing	0
	In-Home Energy Education	1,244,291
	Education Workshops	268,107
Energy Efficiency Total		<u>\$10,706,329</u>
<b>LANDLORD CO PAYS</b>		
	Air Conditioner Replacement - Central	0
	Air Conditioner Replacement - Room	0
	Refrigerator (CoPay)	0
Landlord Co Pays Total		<u>\$0</u>
<b>PILOTS</b>		
	Cool Center 3	0
	Cool Zones	55,000
	LIHEAP Leveraging	0
	Natural Gas Appliance Testing (NGAT)	353,100
Pilots Total		<u>\$408,100</u>
<b>OTHER PROGRAM ACTIVITIES</b>		
	Training Center	0
	Inspections	486,048
	Advertising	250,000
	Measurement & Evaluation (M&E)	50,000
	Regulatory Compliance	200,000
	Other Administration	563,614
Other Program Activities Total		<u>\$1,549,662</u>
Oversight Costs - CPUC Energy Division		<u>\$21,000</u>
<b>Indirect Costs</b>		<b><u>833,002</u></b>
<b>TOTAL LIEE PROGRAM PROPOSALS</b>		<b><u>\$13,518,093</u></b>

**TABLE 9**  
**AUTHORIZED PY 2005 CARE BUDGETS**

	<b>PG&amp;E</b>	<b>SCE</b>	<b>SoCalGas</b>	<b>SDG&amp;E</b>
Outreach	\$3,850,000	\$ 1,633,000	\$ 1,949,750	\$ 1,187,014
Automatic Enrollment	150,000	60,000	30,000	21,200
Cool Centers		95,000		
Proc., Certification & Verification	2,100,000	600,000	925,334	227,269
Bill System / Programming	150,000	557,000	265,045	72,800
Measurement & Evaluation	487,000	58,000	393,560	235,700
Regulatory Compliance	170,000	50,000	163,306	123,872
General Administration	450,000	1,063,300	297,315	177,314
Low Income Oversight Board	0	0	0	0
CPUC Energy Division	100,000	82,700	83,000	50,000
Total CARE Expenses	\$7,457,000	\$ 4,199,000	\$ 4,108,310	\$2,346,519
Subsidies & Benefits	191,300,000	168,100,000	75,315,876	32,907,285
<b>Authorized CARE Budget</b>	<b>\$198,457,000</b>	<b>\$172,299,000</b>	<b>\$79,424,186</b>	<b>\$35,253,854</b>



**TABLE 11**  
**SCE 2003 and 2004 Authorized CARE Administrative Budgets**

Cost Category	2003	2004
Outreach	\$ 840,840	\$ 840,840
Automatic Enrollment	\$ -	\$ -
Processing/Certification/Verification	\$ 520,798	\$ 520,798
Billing/Programming	\$ 500,000	\$ 500,000
Measurement/Evaluation	\$ 344,000	\$ 344,000
Regulatory Compliance	\$ 80,000	\$ 80,000
General Administration	\$ 464,500	\$ 464,500
Indirect Costs	0	0
Energy Division	\$ 82,700	\$ 82,700
LIOB	\$ 50,000	\$ 50,000
Total Administration	<u>\$ 2,882,838</u>	<u>\$ 2,882,838</u>

<b>TABLE 12</b> <b>2005 CARE PROGRAM PROPOSED BUDGET</b> <b>SAN DIEGO GAS &amp; ELECTRIC</b>	
	SDG&E
Outreach	\$ 1,631,727
Automatic Enrollment	21,200
Proc., Certification & Verification	227,269
Bill System / Programming	72,800
Measurement & Evaluation	320,700
Regulatory Compliance	123,872
General Administration	177,314
Indirect Costs	703,154
Low Income Oversight Board	1,000
CPUC Energy Division	50,000
Total CARE Expenses	\$3,329,036
Subsidies & Benefits	32,907,285
<b>Total Program Costs and Discounts</b>	<b>\$36,236,321</b>

**TABLE 15**  
**LARGE IOU 2005 AUTHORIZED CARE BUDGETS**

	PG&E	SCE	SoCalGas	SDG&E
Outreach	\$3,850,000	\$ 1,633,000	\$ 1,949,750	\$ 1,187,014
Automatic Enrollment	150,000	60,000	30,000	21,200
Cool Centers		95,000		
Proc., Certification & Verification	2,100,000	600,000	925,334	227,269
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Total CARE Expenses	\$7,457,000	\$ 4,199,000	\$ 4,108,310	\$2,346,519
Subsidies & Benefits	191,300,000	168,100,000	75,315,876	32,907,285
<b>Total Program Costs and Discounts</b>	<b>\$198,757,000</b>	<b>\$172,299,000</b>	<b>\$79,424,186</b>	<b>\$35,253,854</b>

**TABLE 16**  
**LARGE IOU 2005 AUTHORIZED LIEE PROGRAM BUDGETS**

	PG&E	SCE	SoCalGas	SDG&E
<b>ENERGY EFFICIENCY</b>				
Gas Appliances	\$ 3,334,300	\$ 0	\$ 8,020,500	\$ 919,943
Electric Appliances	17,274,700	20,971,520	0	4,349,064
Weatherization	14,109,000	394,450	15,949,814	3,924,924
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Energy Efficiency Total	\$42,724,000	\$24,702,115	\$29,590,314	\$10,706,329
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Cool Center 3	0	0	0	0
Cool Zones	0	0	0	0
LIHEAP Leveraging	750,000	0	0	0
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<b>OTHER PROGRAM ACTIVITIES</b>				
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Advertising	0	15,000	281,000	250,000
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Oversight Costs – CPUC Energy Division	\$35,000	\$70,000	\$36,000	\$21,000
<b>TOTAL AUTHORIZED LIEE BUDGET</b>	<b>\$56,530,000</b>	<b>\$27,400,000</b>	<b>\$33,324,875</b>	<b>12,276,991</b>

**TABLE 17  
BUDGET DISALLOWANCES**

<b>Utility</b>	<b>Description of Request</b>	<b>Disallowance (\$)</b>	<b>Reason for Disallowance</b>
SCE	Cool Center	<\$142,500>	Fixed costs are high
SCE	Cool Center Transportation	<\$42,750>	PGC not designed to fund
SCE	Cool Center Personnel	<\$175,750>	The program should only fund personnel that directly support Cool Center activity
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SoCalGas	Carbon Monoxide (CO) Testing	<\$1,800,000>	CO testing should be funded from base rates
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SDG&E	Performance Incentives included in proposal as a part of Indirect Costs	<\$104,821>	Outside the scope of this proceeding
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SDG&E	CARE LIOB	<\$1,000>	LIOB expenses are absorbed by CPUC
SDG&E	CARE Call Center	<\$166,400>	Not incremental costs
SDG&E	CARE Call Center Indirects	<\$111,913>	Not incremental costs

Therefore, pursuant to the authority granted in Resolution A-4661, **IT IS ORDERED** that Decision 05-04-052 is corrected to incorporate the changes described herein.

This order is effective today.

Dated May 13, 2005, at San Francisco, California.

/s/ PAUL CLANON for  
STEVE LARSON

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STEVE LARSON  
Executive Director